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IV—B Year-End Closing— Prepare Automated Governmental Fund Reports

This chapter discusses the CALSTARS Automated Year-end process for the electronic submittal of year-end financial data for governmental cost funds (including those with fund source B - legal basis bond funds). CALSTARS automated year-end statements are submitted to the SCO in lieu of preparing Reports 1, 2, 3, 5, and 15. The chapter also discusses the differences between the manual and the automated processes and the criteria for participation in the automated process.

OVERVIEW OF THE AUTOMATED YEAR-END PROCESS

Use of the Automated Year-end process is optional. If agencies use the automated process, preparation of Reports 2 and 15 are not required for the first year of participation. For subsequent years, Reports 1, 2, 3, 5, and 15 are not required. Agencies may choose how many of their Governmental Cost Funds will be included in the automated process.

The following items were developed for the CALSTARS Automated Year-end process:

- ✦ A standard requestable report: CSTARDB3 CALSTARS Automated Year-End Report For SCO (DB3)
- ✦ Ten automated year-end transaction codes: TC 751 – TC 760
- ✦ Menu option **F.2**: Monthly and Special Processes – SCO Year End Data Transfer
- ✦ Three system generated reports:
 - ✦ CSYDB3-1 Automated SCO Year-end Report – Final
 - ✦ CSYDB3-2 Transmitted SCO Year-end Report
 - ✦ CSYDB3-3 Automated SCO Year-end Report - Exceptions

The automated portion of the year-end process begins when the final FM 13 reconciliations are completed. At that time, the standard DB3 and G02 reports are requested. Agencies should verify that all accounts and amounts on the DB3 and G02 reports agree with the final FM 13 reconciliations. If edit messages are displayed on the DB3 report, they must be researched before proceeding. When

'fatal' edit messages are no longer present on the DB3 and all accounts and amounts are verified as correct, final automated year-end entries (TC 751-760) are posted to CALSTARS as needed. Once these entries are posted, the DB3 and G02 reports should be requested again. When all final postings to CALSTARS are verified as correct, the data is ready to be sent to the SCO.

Early each July, the **F.2** SCO Year End Data Transfer screen will display a listing of each agency's eligible funds. The fund must be present on the **F.2** screen in order to submit electronic year-end statements to SCO. Agencies may transmit one fund at a time or all funds at the same time. The day after transmitting fund data, the **F.2** screen may be viewed to determine if the year-end data was successfully sent to the SCO. If a "Year-end data successfully sent to SCO" message is displayed, the following two system generated reports are sent to the agency:

- ✧ CSYDB3-1 Automated SCO Year-end Report – Final

- ✧ CSYDB3-2 Transmitted SCO Year-end Report

The CSYDB3-1 replaces Reports 1, 2, 3, 5, and 15. The report is sent to the SCO with the remaining required year-end financial statements, certification(s), and supporting documentation for Report 3, if applicable. The CSYDB3-2 and a copy of the CSYDB3-1 is retained at the agency with the year-end statements.

A comparison of the manual and automated year-end processes is shown in Exhibit IV-B-1 on pages IV-B-4 and IV-B-5. Refer to Exhibit IV-B-8 on page IV-B-21 for a detailed comparison of the statements required for governmental cost funds.

PARTICIPATION INFORMATION

The following deadlines must be observed by agencies that choose to participate in the CALSTARS Automated Year-end process:

- ✧ By April 30th (or last working day of April)

The SCO Account Segment must be established in the Appropriation Symbol Table (AS) records for all active fiscal years. Volume 2, Chapter IV-AS provides instructions for establishing the SCO Account Segment. For additional questions, contact the CALSTARS Hotline at (916) 327-0100.

- ✧ By May 31st (or last working day of May)

Item 14 (SCO Year-end FTP) on the CALSTARS Form 95 (Security Form) must be revised for all staff that need to view or select funds for transmittal to the SCO. The CALSTARS Agency Security Officer must submit the forms to the CALSTARS Security Administrator at the Department of Finance. The CALSTARS Agency Security Officer may contact the CALSTARS Hotline at (916) 327-0100 for further assistance.

✪ By May 31st (or last working day of May)

Agencies must notify Kelley Woodward at (916) 445-0211, extension 2825, if they are interested in participating in the Automated Year-end process. CALSTARS will inform SCO which agencies and funds will be included in the automated process. CALSTARS will also ensure the DB3 report is available to the agency on the **G.3** Request Standard Reports screen.

Although not mandatory, it is highly recommended that staff attend the one or two day Session II Year-end training classes offered in the Spring. The annual year-end training COM is available on the Internet at www.dof.ca.gov/html/calstars/coms.htm. The training calendar is also available at www.dof.ca.gov/html/calstars/calsdocs/other/TrainingCalendar.pdf.

REQUESTING THE DB3 REPORT

The standard CSTARDB3 (DB3) report may be requested with one of three Report Period options below:

Blank – All records are shown on the report.

T – Only transmittable records are shown on the report.

N – Only non-transmittable records are shown on the report.

If there are no non-transmittable records, a one page null report is generated when ordered with option **N**. Requesting the DB3 with option **N** may be done as often as needed throughout the Automated Year-end process to ensure all problems have been resolved.

The DB3 report may also be ordered by Fund or Enactment Year if the entire report is not needed.

EXHIBIT IV-B-1
COMPARISON BETWEEN MANUAL AND AUTOMATED PROCESSES

| STEP # | MANUAL PROCESS | AUTOMATED PROCESS |
|--------|--|--|
| 1 | Post all accruals and special adjustments (including fund shifts) in FM 13. | Post all accruals and special adjustments (including fund shifts) in FM 13. |
| 2 | Prepare all final FM 13 reconciliations (SCO, Bank, ORF, GL for non-shared funds, and GL subsidiaries to Document File subsidiaries). Monitor control account (C) status for "overspending". | Prepare all final FM 13 reconciliations (SCO, Bank, ORF, GL for non-shared funds, and GL subsidiaries to Document File subsidiaries). Monitor control account (C) status for "overspending". |
| 3 | Request the CALSTARS reports needed for year-end financial statements (G02, Q26, B06, G05). | Not applicable at this time. |
| 4 | Not applicable. | Request the DB3 and G02 reports. |
| 5 | Not applicable. | Verify that all accounts and amounts on the DB3 and G02 reports agree with the final FM 13 reconciliations. |
| 6 | Not applicable. | Resolve edit messages on the DB3. |
| 7 | Not applicable. | Post final entries to CALSTARS using automated year-end transaction codes. |
| 8 | Not applicable. | Request final DB3 report to validate corrections and final postings. |
| 9 | Not applicable at this time. | Request the CALSTARS reports needed for year-end financial statements (G02, Q26, B06, G05). |
| 10 | Prepare Reports 1, 2, 3, 5, and 15 (See chapter IV-A). | Not applicable. |
| 11 | Prepare Reports 14, 22, the backup for Report 3, and the certification letter (See chapter IV-A). | Prepare Reports 14, 22, the backup for Report 3, and the certification letter. |

EXHIBIT IV-B-1 (Continued)
COMPARISON BETWEEN MANUAL AND AUTOMATED PROCESSES

| STEP # | MANUAL PROCESS | AUTOMATED PROCESS |
|--------|--|---|
| 12 | Review year-end financial statements and sign year-end certification letter. | Review year-end financial statements and sign year-end certification letter. |
| 13 | Not applicable. | Transmit data to SCO through Command F.2 |
| 14 | Not applicable. | Receive CALSTARS system generated reports, CSYDB3-x. |
| 15 | Assemble year-end package (Reports 1, 2, 3, 4, 5, 7, 8, 14, 15, 18, 19 and 22); make copies. ^{1/} , ^{2/} | Assemble year-end package (including Reports 4, 7, 8, 14, 18, 19, and 22); make copies. ^{1/} , ^{2/} |
| 16 | Not applicable. | Add CSYDB3-1 report to year-end package. |
| 17 | Submit year-end package to SCO by deadline. | Submit year-end package to SCO by deadline. |

^{1/} First year participants must also include Reports 1, 3, and 5.

^{2/} Submit only one copy of Report 14, 19 and 22 per agency.

DESCRIPTION OF THE DB3 REPORT

The CSTARDB3 (DB3) consists of the following three sections:

- ✦ Fund Level Adjustments and Accruals
- ✦ Appropriation Adjustments and Accruals
- ✦ General Ledger Account Verification

Each section is described separately below.

Fund Level Adjustments and Accruals

The Fund Level Adjustments and Accruals section of the report displays fund level adjustments and accruals by GL account. These adjustments and accruals do not impact appropriations or special accounts such as Revenue. This section of the report is typically one page. An example of the Fund Level Adjustments and Accruals section is shown in Exhibit IV-B-2 on page IV-B-8.

The following GL accounts may appear in the Fund Level Adjustments and Accruals section:

- GL 1110 Unremitted General Cash (for GL 3730, GL 3400, GL 3500, and GL 3110 - Sales Tax)
- GL 1130 Revolving Fund Cash
- GL 1316 Accounts Receivable – Cash Shortages
- GL 1319 Accounts Receivable – Other
- GL 1340 Accounts Receivable – Audit Exceptions
- GL 1380 Contingent Receivables
- GL 1600 Provision for Deferred Receivables (also displays subsidiaries)
- GL 1730 Prepayments to ARF (also displays subsidiary 0602)
- GL 3400 Unremitted Advance Collections (displays GL 3410 or GL 3420)
- GL 3500 Unremitted Deposits (displays GL 3510)
- GL 3110 Unremitted Sales Tax (also displays subsidiaries)
- GL 3730 Unremitted Uncleared Collections
- GL 5330 Reserve - Prepayments to ARF (also displays subsidiary 0602)

The table below shows how GL account balances are displayed on the DB3 report. GL 1110, which normally has a debit balance, and GL 3730, which normally has a credit balance, are utilized in the example.

| GL Account | Balance | Displayed On The DB3 Report As |
|------------|----------------------------------|-----------------------------------|
| 1110 | 100.00 (Debit Balance) | 100.00 |
| 1110 | 100.00 (Abnormal Credit Balance) | 100.00- |
| 3730 | 500.00 (Credit Balance) | 500.00- |
| 3730 | 500.00 (Abnormal Debit Balance) | 500.00 |

Check to see if there are edit messages on the lower left-hand side of the report. These edit messages are always fatal and must be cleared before statements may be electronically sent to the SCO. A listing of the edit messages and the corresponding explanations are shown in Exhibit IV-3 on page IV-B-9.

EXHIBIT IV-B-2
DB3 FUND LEVEL ADJUSTMENTS AND ACCRUALS SECTION

```
CSTARDB3 7220 (DEST: XX PROD) PY, ,0,0,0,0,0044, , , , , , ***** RUN:07/20/03 TIME:34:16
PRIOR FISCAL YEAR: 2002 *****FND(0044) GL(ALL)*
```

DEPT OF THE AUTOMATED YEAR END TASK FORCE (7220)
AUTOMATED SCO YEAR-END REPORT
AS OF 06/30/03

***** PAGE 1

FUND LEVEL ADJUSTMENTS AND ACCRUALS:

| | | | | |
|--------------|------|-----|------|--------|
| SCO ACCOUNT: | ORG | | FUND | SUB-FD |
| | 7220 | | 0044 | |
| CALSTARS: | ORG | SEC | FUND | FD-DTL |
| | 7220 | | 0044 | |

| | GL ACCT/ SUBSIDIARY | GENERAL LEDGER AMOUNT | BALANCE |
|---|------------------------|--------------------------|---------|
| CURRENT YEAR ADJUSTMENTS TO SCO: | | | |
| TOTAL ADJUSTMENTS | | | 0.00 |
| CURRENT YEAR ACCRUALS: | | | |
| GENERAL CASH | 1110 | 586,200.37 | |
| REVOLVING FUND CASH | 1130 | 10,278,924.99 | |
| ACCOUNTS RECEIVABLE CASH SHORTAGES | 1316 | 7,499.43 | |
| ACCOUNTS RECEIVABLE OTHER | 1319 | 288,647.18 | |
| CONTINGENT RECEIVABLES | 1380 | 944,668.62 | |
| PROV FOR DEFER REC - A/R CASH SHORTAGES | 1600.1316 | 7,499.43- | |
| PROV FOR DEFER REC - A/R OTHER | 1600.1319 | 288,647.18- | |
| PROV FOR DEFER REC - CONTINGENT REC. | 1600.1380 | 944,668.62- | |
| PREPAYMENT TO ARCHITECTURE REVOLVING FUND | 1730.0602 | 37,422,117.43 | |
| REIMBURSEMENTS COLLECTED IN ADVANCE | 3420 | 9,468.00- | |
| UNCLEARED COLLECTIONS | 3730 | 576,732.37- | |
| RESERVE FOR PREPAID ITEMS | 5330.0602 | 37,422,117.43- | |
| TOTAL ACCRUALS LESS GL 1130 | | | 0.00 |

EXHIBIT IV-B-3
EDIT MESSAGES FOR FUND LEVEL ADJUSTMENTS AND ACCRUALS

| Edit Message | Explanation(s) |
|--|--|
| FUND LEVEL ACCRUALS NOT BALANCED | <p>Must record GL 3400 Unremitted Advance Collections with TC 755. CSTARDB3 does not have GL 3400 amount.</p> <p>Must reduce GL 3500 to unremitted amount with TC 756. CSTARDB3 has total GL 3500 amount.</p> <p>Must reduce GL 3730 to unremitted amount with TC 756. CSTARDB3 has total GL 3730 amount.</p> <p>Must use TCs 755 and 756 with the same amount for ARF.</p> <p>Erroneous amounts are posted with automated year-end TCs.</p> |
| GL 1110 OR GL 1130 HAS ABNORMAL BALANCE | <p>GL 1110 and/or GL 1130 have credit (abnormal) balances. Make necessary corrections, if appropriate. If an abnormal balance exists, year-end data for the fund cannot be transmitted electronically to the SCO.</p> |
| GL 1600 REQUIRES SUBSIDIARY | <p>All amounts in GL 1600 must be reclassified using TC 593.</p> <p>TC 593 for dishonored Checks must be posted to CALSTARS with the same fiscal year (FY) as recorded in the Document File (See chapter III, page 22).</p> |
| SUBSIDIARY DOES NOT CONTAIN A VALID FUND PER DT-22 TABLE | <p>Review the subsidiary code. Correct the transaction containing the invalid fund number in the subsidiary or contact the CALSTARS Hotline if a fund needs to be established in the statewide DT-22 Table.</p> |
| SUBSIDIARY NOT IN DT-32 TABLE | <p>Review the subsidiary code. Correct the transaction containing the invalid subsidiary or establish the subsidiary in the agency DT-32 Subsidiary Table.</p> |
| GENERAL LEDGER NOT IN DT-31 TABLE | <p>Review the GL. The GL must be included in the Uniform Codes Manual. Correct the transaction containing the invalid GL or contact the CALSTARS Hotline if a GL needs to be established in the statewide DT-31 GL Table.</p> |

Appropriation Adjustments and Accruals

The Appropriation Adjustments and Accruals section of the DB3 report displays adjustments and accruals for each detail appropriation (e.g. Clearing Account) and special account (Revenue). This section of the report will normally be one page per appropriation/special account. An example of the Appropriation Adjustments and Accruals section of the Automated SCO Year-end Report is displayed in Exhibit IV-B-4 on page IV-B-12.

The table below shows how adjustment/accrual amounts are displayed on the DB3 report. An appropriation, which normally has a credit balance, is used in the example. The appropriation has a beginning balance of \$4,000.00- (credit).

| Accrual | Affect On Appropriation | Displayed On DB3 Report As | Appropriation Balance |
|----------|-------------------------|----------------------------|-----------------------|
| | | | 4,000.00- |
| Due From | Increase | 1,000.00- | 5,000.00- |
| Due To | Decrease | 500.00 | 4,500.00- |

Note that when an appropriation (a credit) is increased by a due from, the due from amount is displayed with a "-" (minus sign) because a "-" is an increase to an appropriation. A due to is displayed without a "-" because it decreases an appropriation. The same methodology is used for a Revenue accounts because its balance is normally a credit. An increase to Revenue is also displayed with a "-" to reflect the increase. The Clearing Account, although unique, follows the same format. An increase to the Clearing Account is displayed with a "-"; a decrease is displayed without the "-".

The following GL accounts may appear in the Appropriation Adjustments and Accruals section:

- GL 1110 General Cash (for appropriations and special accounts)
- GL 1150 Cash in Transit to State Treasury
- GL 1190 Cash On Hand (A-2 entry – Account Type 97)
- GL 1311 Accounts Receivable – Abatements
- GL 1312 Accounts Receivable – Reimbursements
- GL 1313 Accounts Receivable – Revenue
- GL 1315 Accounts Receivable – Dishonored Checks
- GL 1330 Accounts Receivable – Loans
- GL 1410 Due From Other Funds (with subsidiaries)
- GL 1420 Due From Other Appropriations
- GL 1540 Due From School Districts
- GL 1590 Due From Other Governmental Entities
- GL 1600 Provision for Deferred Receivables (only subsidiary 1315)
- GL 1710 Expense Advances (A-2 entry – Account Type 97)

General Ledger Account Verification

The General Ledger Account Verification section of the DB3 report displays general ledger balances. This section of the report is typically one page and is used internally for reconciliation to the G02 report; the records are not transmitted to the SCO. An example of the General Ledger Account Verification section of the Automated SCO Year-end Report is displayed in Exhibit IV-B-6 on page IV-B-16.

It is important to verify that the amounts summed by GL equal the G02 prior to input of the automated transaction codes. After input of the automated TCs, some of the general ledger accounts will differ. These GLs are footnoted at the bottom of the verification page (Footnotes D and F). The amounts for the footnoted general ledgers will equal the amount of the postings of the automated year-end TCs (They do not net for an adjusted total).

AUTOMATED YEAR-END TRANSACTION CODES

After reviewing the DB3 report to verify that all GL accounts/amounts equal and all fatal edit messages have been cleared, final entries are posted (if needed) before statements may be transmitted to the SCO. Exhibit IV-B-7 on page IV-B-17 displays the ten automated year-end TCs available for this purpose, their GL impact, and the source of posting information. The TCs are listed in the order they are posted.

The automated year-end TCs post to the History File and do not post to the General Ledger File. They are used to collect information required on the year-end statements, but do not impact the data already recorded in CALSTARS (e.g., adjustments to the Controller's accounts). For more detail regarding these TCs, refer to Volume 5.

NOTE: Do **not** enter these transactions in auto-reverse batches (number Axx).

EXHIBIT IV-B-6

CSTARDB3 7220 (DEST: XX PROD) PY, ,0,0,0,0,0044,

***** RUN:07/20/03 TIME:34:16

PRIOR FISCAL YEAR: 2002

*****FND(0044) GL(ALL)*

DEPT OF THE AUTOMATED YEAR END TASK FORCE (7220)

AUTOMATED SCO YEAR-END REPORT

AS OF 06/30/03

***** PAGE 1

GENERAL LEDGER ACCOUNT VERIFICATION:

FUND: 0044 GENERAL CASH

| GL ACCT | DESCRIPTION | DEBITS | CREDITS | |
|------------------|---|----------------|----------------|---|
| 1110 | GENERAL CASH | 7,175,360.11 | 0.00 | |
| 1130 | REVOLVING FUND CASH | 10,278,924.99 | 0.00 | |
| 1190 | CASH ON HAND | 99,578.20 | 0.00 | |
| 1311 | ACCOUNTS/REC - ABATEMENTS | 250,800.69 | 0.00 | |
| 1312 | ACCOUNT RECEIVABLE - REIMBURSEMENTS | 1,636,610.97 | 0.00 | |
| 1313 | ACCOUNTS RECEIVABLE REVENUE | 230,237.98 | 0.00 | |
| 1315 | ACCOUNTS RECEIVABLE DISHONORED CHECKS | 2,103.73 | 0.00 | |
| 1316 | ACCOUNTS RECEIVABLE CASH SHORTAGES | 7,499.43 | 0.00 | |
| 1319 | ACCOUNTS RECEIVABLE OTHER | 288,647.18 | 0.00 | |
| 1380 | CONTINGENT RECEIVABLES | 944,668.62 | 0.00 | |
| 1410 | DUE FROM OTHER FUNDS | 25,030,395.26 | 0.00 | D |
| 1420 | DUE FROM OTHER APPNS | 153,890,919.57 | 0.00 | D |
| 1500 | DUE FROM OTHER GOVERNMENTS | 2,756,721.01 | 0.00 | |
| 1600 | PROVISION FOR DEFERRED RECEIVABLES | 0.00 | 1,240,815.23 | |
| 1710 | EXPENSE ADVANCES | 1,360,426.54 | 0.00 | |
| 1730 | PREPAYMENTS TO OTHER FUNDS & APPROPRIATIONS | 37,422,117.43 | 0.00 | F |
| 2740 | INVENTORY OF SURVEYED EQUIPMENT | 2,099,717.00 | 0.00 | |
| 3010 | ACCOUNTS PAYABLE | 0.00 | 86,478,307.50 | |
| 3020 | CLAIMS FILED | 0.00 | 10,558,307.30 | |
| 3114 | DUE TO OTHER FUNDS | 0.00 | 351,563.63 | D |
| 3115 | DUE TO OTHER APPNS | 0.00 | 149,829,848.10 | D |
| 3210 | DUE TO FEDERAL GOVERNMENT | 0.00 | 641.40 | |
| 3220 | DUE TO LOCAL GOVERNMENT | 0.00 | 480.90 | |
| 3400 | ADVANCE COLLECTIONS | 0.00 | 9,468.00 | D |
| 3730 | UNCLEARED COLLECTIONS | 0.00 | 576,732.37 | |
| 5330 | RESERVE FOR PREPAID ITEMS | 0.00 | 37,422,117.43 | D |
| 55XX | FUND BALANCE | 42,993,553.15 | 0.00 | E |
| *TOTAL FUND 0044 | | 286,458,813.86 | 286,458,813.86 | |

FOOTNOTE D: AMOUNTS MAY HAVE BEEN ENTERED WITH SPECIAL 7XX TC'S.

FOOTNOTE E: AMOUNT COMPUTED AS THE DIFFERENCE BETWEEN DEBITS AND CREDITS.

FOOTNOTE F: AMOUNTS MAY HAVE BEEN ENTERED WITH SPECIAL 7XX TC'S AND/OR

GL 1730 SRF ADVANCES ARE NOT REPORTED TO SCO AND/OR

GL 1730 ARF ADVANCES MAY NEED TO BE REPORTED WITH TC'S 755/756

EXHIBIT IV-B-7
AUTOMATED YEAR-END TRANSACTION CODES

| Subject | TC | GL Acct | Purpose/ Instructions | Information Source |
|---|-----------------|--------------------------------|--|--|
| PREPAYMENTS TO ARCHITECTURE REVOLVING FUND (ARF) | 755 | Dr 6990 Cr Input 5330 | This TC must be used for Prepayment to Architecture Revolving Fund (ARF) to record credit for GL 5330. Enter subsidiary 0602XXXX. | G02 report – Subsidiaries On File GL 1730, subsidiary 0602XXXX. |
| | 756 | Dr Input 1730 Cr 6990 | This TC must be used for Prepayment to ARF to record debit for GL 1730. Enter subsidiary 0602XXXX. | G02 report – Subsidiaries On File GL 1730, subsidiary 0602XXXX. |
| REPORT 3 – APPROPRIATION ITEMS | 753 | Dr 6990 Cr 3110 | To record Report 3 items impacting GL3110 for appropriations/special accounts. Enter subsidiary. Enter source code for Revenue items. | SCO reconciliations and G02 report - Subsidiaries On File GL 3110. |
| | 754 | Dr 1400 Cr 6990 | To record Report 3 items impacting GL1400 for appropriations/special accounts. Enter subsidiary. Enter source code for Revenue items. | SCO reconciliations and G02 report - Subsidiaries On File GL 1400. |
| PENDING BRs | 757 | N/A | To post BRs increasing expenditure/ operating transfer out appropriations or decreasing reimbursement appropriations. | SCO reconciliations |
| | 757R | N/A | To post BRs decreasing expenditure/ operating transfer out appropriations or increasing reimbursement appropriations. Also used to decrease a reverting appropriation for claim schedules paid by SCO in July. | SCO reconciliations |
| NET ENCUMBRANCES | 758 759, 760 | Dr1312, 1400, 1500, CR 6990 | The amount of Net Encumbrances funded by Reimbursements. | CALSTARS reports or internal spreadsheet |
| REPORT 3 – GL 3400 REMITTED ADVANCE COLLECTIONS | 751 | Dr 6990 Cr Input 3400 | TC is used when reimbursements or revenues are overstated at SCO. Used in conjunction with TC 754. Enter subsidiary. | GL 3400 reconciliation |
| | 752 | Dr Input 3400 Cr 6990 | TC is used when reimbursements or revenues are understated at SCO. Used in conjunction with TC 753. Enter subsidiary. | GL 3400 reconciliation |
| GL 3400 | 755 | Dr 6990 Cr Input 3400 | Only unremitted GL 3400 amount is reported at year-end. CSTARDB3 does not have GL 3400 amount. This TC reports unremitted GL 3400 amount. Enter subsidiary. | GL 3400 reconciliation |
| GL 3500 | 756 | Dr Input 3500 Cr 6990 | Only unremitted GL 3500 amount is reported at year-end. CSTARDB3 has total GL 3500 amount. This TC reduces GL 3500 to the unremitted amount. Enter subsidiary. | GL 3500 reconciliation |
| GL 3730 | 756 | Dr Input 3730 Cr 6990 | Only unremitted GL 3730 amount is reported at year-end. CSTARDB3 has total GL 3730 amount. This TC reduces GL 3730 to the unremitted amount. | GL 3730 reconciliation |

PREPARATION OF STATEMENTS AND DOCUMENTATION

After the Automated Year-end Transactions codes are posted, agencies should request the G02 and DB3 reports for another review of the GL accounts/amounts and to check for edit messages. The DB3 with option **N** should also be requested to confirm there are no non-transmittable records.

After the reports are verified as correct and no fatal edit messages are displayed, the following steps are taken to complete the year-end process:

- ✧ Request the remaining Prior Year reports:
 - B06 – Not submitted to SCO, but retained with the year-end statements
 - G02 – Reports 7 and 8
 - G05 – Report 18 and 19
 - Q26 – Report 4
- ✧ Prepare Report 3 backup documentation, if applicable.
- ✧ Prepare Report 14 and 22.
- ✧ Prepare and sign the year-end certification letter. An example of the format for the Automated Year-end Certification letter is displayed in Exhibit IV-B-15 on page IV-B-28.
- ✧ Review the year-end statements. The year-end checklist is no longer needed.

After the additional reports and certification are prepared, it is time to transmit the electronic records to the SCO.

REQUESTING THE TRANSMITTAL OF FUND RECORDS TO THE SCO

Early each July, the **F.2** SCO Year End Data Transfer screen will display a listing of each agency's eligible governmental cost funds. Agencies may transmit one fund at a time to the SCO or all funds at the same time. To transmit a fund's accounting records, an **S** (Select fund for data transfer to SCO) is keyed in the Function (**F**) column on the **F.2** screen. The selection request may be cancelled at any time prior to the beginning of nightly processing by keying a **C** (Cancel request for data transfer to SCO) in the Function column on the **F.2** screen.

The day after requesting the transmittal of records, the **F.2** SCO Year-end Data Transfer screen may be viewed to determine if the year-end data was successfully sent to the SCO. A sample of the **F.2** screen is shown below:

7220 F.2: SCO Year-End Data Transfer 02-23-2004 03:03 PM

Enter under F below: (S=Select fund for data transfer to SCO)
(C=Cancel request for data transfer to SCO)

| F | SEC | FUND | MESSAGE | DATE SENT |
|---|-----|------|---|------------|
| - | --- | ---- | ----- | ----- |
| - | 00 | 0001 | | |
| - | 00 | 0044 | Year-end data successfully sent to SCO | 07-20-2003 |
| - | 00 | 0448 | Data not sent to SCO due to errors | |
| - | 00 | 0457 | Data not sent to SCO due to errors | |
| - | 00 | 0439 | No data to send to SCO | |
| - | 00 | 3038 | You have requested transfer of Year-end data to SCO | |
| | | | *** End of Data *** | |

Command:

Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10---PF11---PF12---
Help Retrn Quit Bkwrdr Frwrdr Main

THE CSYDB3-X REPORTS

If the "Year-end data successfully sent to SCO" message is displayed on the **F.2** SCO Year-end Data Transfer screen, the following system generated reports are sent to the agency:

CSYDB3-1 Automated SCO Year-end Report – Final
CSYDB3-2 Transmitted SCO Year-end Report

The CSYDB3-1 report is sent to the SCO with the remaining required year-end financial statements, certification(s), and supporting documentation for Report 3, if applicable. Agencies must annotate the CSYDB3-1 report in lieu of annotating the Report 3 for the supporting documentation (Transaction Requests). The CSYDB3-2 is retained at the agency with its copy of the year-end package.

If the "Data not sent to SCO due to errors" message is displayed on the **F.2** screen, the following report is sent to the agency:

CSYDB3-3 Automated SCO Year-end Report - Exceptions

The CSYDB3-3 report shows the records that caused the fund to be non-transmittable. One non-transmittable adjustment or accrual record in a fund prevents the entire fund from transmitting successfully. Agencies have the option of making adjustments/corrections to the fund and selecting the fund for transmittal on another day.

Examples of the CSYDB3-1, CSYDB3-2, and CSYDB3-3 reports for both Fund Level Adjustments and Accruals and Appropriation Adjustments and Accruals are shown in Exhibits IV-B-9 through IV-B-14 beginning on page IV-B-22.

Note: A successful transmittal may only be sent once. If a revision to the year-end statements is required, the revised statements must be prepared manually with the SCO's Form 571E and Form 571F.

REQUIRED YEAR-END FINANCIAL STATEMENTS

Exhibit IV-8 on page IV-B-21 shows a comparison of the statements required for a fund prepared using the manual method, the first year of the automated process, and in subsequent years of the automated process. The first year agencies participate in the automated year-end process they must submit Reports 1, 3, and 5. These reports are not required in subsequent years.

Agencies are subject to the same report deadlines; however, the SCO will not accept any electronic transmittals after the deadline in August for the special funds.

IMPORTANT CONSIDERATIONS

To minimize **fatal** DB3 errors and avoid transmittal problems to SCO, the following must be observed:

- ✧ Agencies must use unique document numbers for each accrual or adjustment that uses subsidiary numbers.
- ✧ The S01 or G02 Report Subsidiary File balances must agree with the Document File general ledger account balances (D09 or D10 report).
- ✧ TC 593 to record the GL 1600 offset for GL 1315 – Accounts Receivable Dishonored Checks must be posted to the same fiscal year (FY) as recorded in the Document File.
- ✧ GL 1110 – General Cash and GL 1130 – Revolving Fund Cash must have debit balances.
- ✧ Prepayments to Architecture Revolving Fund (subsidiary fund 0602) must be recorded with TC 755 and TC 756.
- ✧ A-1 entries for Undeposited Receipts recorded with TC 530 must be posted with an Appropriation Symbol.
- ✧ Report 3 items for revenue accounts recorded with TC 753 or TC 754 must be posted with a Source code.

EXHIBIT IV-B-8
COMPARISON OF REQUIRED FINANCIAL YEAR-END STATEMENTS FOR GOVERNMENTAL COST FUNDS

| REQUIRED REPORTS - MANUAL METHOD | REQUIRED REPORTS – AUTOMATED PROCESS – 1ST YEAR | | REQUIRED REPORTS – AUTOMATED PROCESS – 2ND YEAR | |
|---|---|------|---|---|
| Report 1 – Report of Accruals to Controller's Accounts | Report 1 – Report of Accruals to Controller's Accounts | 1, 2 | Not required | 2 |
| Report 2 – Accrual Worksheet | Not required | | Not required | |
| Report 3 – Adjustments to Controller's Accounts | Report 3 – Adjustments to Controller's Accounts | 1, 2 | Not required | 2 |
| Report 3 – Supporting documentation | Report 3 – Supporting documentation | | Report 3 – Supporting documentation (annotated to CSYDB3-1) | |
| Report 4 – Final Statement of Revenue | Report 4 – Final Statement of Revenue | | Report 4 – Final Statement of Revenue | |
| Report 5 – Final Reconciliation of Controller's Accounts with Final Budget Report | Report 5 – Final Reconciliation of Controller's Accounts with Final Budget Report | 1, 2 | Not required | 2 |
| Report 7 – Pre-Closing Trial Balance | Report 7 – Pre-Closing Trial Balance | | Report 7 – Pre-Closing Trial Balance | |
| Report 8 – Post-Closing Trial Balance (with subsidiaries) | Report 8 – Post-Closing Trial Balance | | Report 8 – Post-Closing Trial Balance | |
| Report 14 – Report of Accounts Outside the Treasury System | Report 14 – Report of Accounts Outside the Treasury System | 4 | Report 14 – Report of Accounts Outside the Treasury System | 4 |
| Report 15 – Reconciliation of Agency Accounts with Transaction Per State Controller | Not required | | Not required | |
| Report 18 – Statement of Changes in General Fixed Assets | Report 18 – Statement of Changes in General Fixed Assets | | Report 18 – Statement of Changes in General Fixed Assets | |
| Report 19 – Statement of General Fixed Assets | Report 19 – Statement of General Fixed Assets | 4 | Report 19 – Statement of General Fixed Assets | 4 |
| Report 22 – Statement of Contingent Liabilities | Report 22 – Statement of Contingent Liabilities | 4 | Report 22 – Statement of Contingent Liabilities | 4 |
| Not required | CALSTARS CSYDB3-1 Report | 3 | CALSTARS CSYDB3-1 Report | 3 |

- 1 SCO will accept hard copies within 5 working days after report deadlines.
- 2 Footnotes previously listed on hard copies of Reports 1, 3, and 5 are reflected in the Year-end Certification letter (See Exhibit IV-B-8)
- 3 Must be submitted to SCO by report deadlines.
- 4 Submit only 1 statement per agency (not per fund).

EXHIBIT IV-B-9
 CSYDB3-1 CALSTARS AUTOMATED SCO YEAR-END REPORT – FINAL
 FUND LEVEL ADJUSTMENTS AND ACCRUALS

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CSYDB3-1 ***** DEPT OF THE AUTOMATED YEAR END TASK FORCE ***** ORG NUMBER: 7220
                                CALSTARS          AUTOMATED SCO YEAR-END REPORT - FINAL  REPORT          ORG PAGE: 1
07/20/2003 (18:17) ***** RUN PAGE: 1
                                FUND LEVEL ADJUSTMENTS AND ACCRUALS
*****
SCO ACCOUNT:  ORG      FUND  SUB-FD
              7220      0044

CALSTARS:     ORG  SEC  FUND  SUB-FD
              7220      0044
*****

                                GL ACCT/
                                SUBSIDIARY
                                GENERAL LEDGER
                                AMOUNT
                                BALANCE

CURRENT YEAR ADJUSTMENTS TO SCO:
TOTAL ADJUSTMENTS
                                0.00

CURRENT YEAR ACCRUALS:
GENERAL CASH                    1110                    586,200.37
REVOLVING FUND CASH             1130                   10,278,924.99
ACCOUNTS RECEIVABLE CASH SHORTAGES 1316                     7,499.43
ACCOUNTS RECEIVABLE OTHER       1319                   288,647.18
CONTINGENT RECEIVABLES         1380                   944,668.62
PROV FOR DEFER REC - A/R CASH SHORTAGES 1600.1316                   7,499.43-
PROV FOR DEFER REC - A/R OTHER    1600.1319                   288,647.18-
PROV FOR DEFER REC - CONTINGENT REC. 1600.1380                   944,668.62-
PREPAYMENT TO ARCHITECTURE REVOLVING FUND 1730.0602                   37,422,117.43
REIMBURSEMENTS COLLECTED IN ADVANCE 3420                      9,468.00-
UNCLEARED COLLECTIONS           3730                     576,732.37-
RESERVE FOR PREPAID ITEMS        5330.0602                   37,422,117.43-
TOTAL ACCRUALS LESS GL 1130
                                0.00
  
```

EXHIBIT IV-B-14
 CSYDB3-3 AUTOMATED SCO YEAR-END REPORT - EXCEPTION
 APPROPRIATION ADJUSTMENTS AND ACCRUALS

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CSYDB3-3 ***** DEPT OF THE AUTOMATED YEAR END TASK FORCE ***** ORG NUMBER: 7220
                  CALSTARS      AUTOMATED SCO YEAR-END REPORT - EXCEPTION REPORT      ORG PAGE: 10
07/20/2003 (18:17) ***** RUN PAGE: 1
  APPROPRIATION ADJUSTMENTS AND ACCRUALS
*****
SCO ACCOUNT:  ORG      FUND  SUB-FD  EY   REF   CAT      PGM  ELEM  COMP  TASK  REV-ACCT  AT  CT
              7220      0178      2001  001                99                D   C

CALSTARS:     ORG  SEC  FUND  SUB-FD  EY   REF   CAT  OBJ  OD  PGM  ELEM  COMP  TASK  SOURCE  AT      FFY  APPN-SYM
              7220      0178      2001  001                CA      2001  900
*****

                                GL ACCT/      BUDGET/ADJUST      RECEIPT/
                                SUBSIDIARY      ADVANCE      DISBURSEMENT      BALANCE

ACCOUNT BALANCE PER STATE CONTROLLER'S OFFICE RECORDS:                                0.00      0.00      0.00
REVERSE PY ADJUSTMENTS TO SCO                                0.00      0.00      0.00
REVERSE PY ACCRUALS                                          0.00      0.00      0.00
APPLY: CORRECTIONS TO SCO PY ACCRUALS/ADJUSTMENTS          0.00      0.00      0.00
APPLY: CURRENT YEAR ADJUSTMENTS TO SCO:
APPLY: CURRENT YEAR ACCRUALS:
  GENERAL CASH                                1110      0.00      71.77-      71.77-
  TOTAL ACCRUALS                                0.00      71.77-      71.77-
PENDING BUDGET REVISIONS                                0.00      0.00      0.00
SCO ADJUSTED BALANCE                                0.00      0.00      0.00
BALANCE PER CALSTARS                                0.00      71.77-      71.77-

REPORT EDIT MESSAGE:
OUT OF BALANCE BY $      71.77
APPROPRIATION IS OVER-EXPENDED
  
```

EXHIBIT IV-B-15
CERTIFICATION LETTER

State of California
M e m o r a n d u m

Date : July 31, 2004

To : State Controller's Office
Division of Accounting and Reporting
3301 "C" Street, Suite 503
Sacramento, CA 95816 B-8

From : Department of the Automated Year End Task Force (7220)

Subject : CERTIFICATION OF YEAR-END FINANCIAL REPORTS

Department of the Automated Year End Task Force (Org 7220) is participating in CALSTARS Auto Year End. Year end accruals and adjustments were transmitted to your office on 7/28/04 for Fund 0001.

The following financial reports for the fiscal year end June 30, 2004, are enclosed:

GENERAL FUND (0001)

- 1 Report of Accruals to Controller's Accounts (see below)
- 2 Accrual Worksheet (see below)
- 3 Adjustments to Controller's Accounts (see below; includes annotated back-up)
- 4 Statement of Revenue
- 5 Final Recon of SCO Accts with Final Budget Report (see below)
- 7 Pre-Closing Trial Balance
- 8 Post-Closing Trial Balance
- 15 Reconciliation of Agency Accounts with Transactions per State Controller (see below)
- 18 Statement of Change in General Fixed Assets
- 22 Statement of Contingent Liabilities – none to report

This year end package includes a CALSTARS CSYDB3-1 report in lieu of hard copies of Reports 2 and 15. Hard copies of Reports 1, 3, and 5 are being submitted to your office by August 6, 2004. For subsequent Automated Year End the CSYDB3-1 report will be submitted in lieu of hard copies of Reports 1, 2, 3, 5, and 15.

Footnote: Facts of long-term interfund loan are disclosed as follows: ...

SPECIAL REPORTS

- 14 Bank and/or Savings and Loan Association Accounts Outside the State Treasury System
- 19 Statement of General Fixed Assets

Contact Person: I. Ben Tryin
Phone Number: (916) 555-1234

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct; and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this 31st day of July, 2004, at Sacramento, California

Signature of Officer

Type or print name of Officer

Title of Officer